From: Ben Cooper
To: _Regulatory Comments
Subject: Ben Cooper submit the following Comments on Notice of Proposed Rulemaking for Incentive-Based Compensation Arrangements
Date: Friday, May 20, 2011 5:00:39 AM

While the investment bankers and greedy speculators were rewarding themselves with inordinately exaggerated compensation, unfair stock options, and obscene bonuses for engaging in the high-risk investment (i.e. gambling) behaviors that may have produced short-term, short-sighted quarterly profits, leading to inflated stock prices and bloated corporate capitalization statistics, but inevitably causing the most disastrous economic collapse since the great depression of the 1930s, the rest of us who were working hard, following the rules, trying to get into or stay in the middle class lost our homes, our jobs, our savings, and in some cases even our families.

I’m writing because I was among the millions of American working folks who were devastated by the economic crash of 2008. I hope we can prevent the same catastrophe from happening again.

Apparently, the privileged financial manipulators have not learned their lessons from the global economic calamity that resulted from their irresponsible practices, but are instead rewarding themselves for having survived and in some cases profited, not because of their business acumen, but because of massive, trillion-dollar taxpayer-funded emergency bailouts.

Wall Street greed, reckless speculation, fraud, and outrageous pay practices need not cause another similar collapse. One way to change the incentives so they don’t collapse our economy again would be for regulators to use a *safety index* for incentive compensation, instead of a profit index.

One way to change the incentives so Wall Street doesn’t collapse our economy again would be for regulators to set up a way for shareholders to grab back ill-gotten gains.

If it turns out that the profits in a given year were built on shoddy practices that become clear in the out-years, those bonus payments should be forfeited.

Currently, most bankers receive stock options. So if they can generate more profits, the stock price goes up, and their options become more valuable. Instead, what if they used the bank’s bond price, which measures the overall ability of the bank to repay its own debt? Another measure of bank stability is the spread on credit default swaps (the insurance-like policies that are essentially bets, where one gambler bets with another that a particular firm will fail). The closer a bank comes to failing (such as in failing to pay of its bond debt), the bigger the spread on credit default swaps.

We must use and, if necessary, enhance our new regulatory tools to reign in the Wall Street predators before they succeed in destroying our way of life. History and economics have demonstrated that freemarket

capitalism only works when we regulate markets in order to prevent their excesses.

Thank you for considering my comment,

Ben Cooper
PO Box 124873
San Diego, CA 92101

From: Alec Mento
To: _Regulatory Comments
Subject: ALEC MENTO Comments on Notice of Proposed Rulemaking for Incentive-Based Compensation Arrangements
Date: Friday, May 20, 2011 12:30:26 PM

I'm writing because my family and I were affected by the economic collapse of 2008, and we don't want it to happen again.

Wall Street greed and outrageous pay practices were a major cause of the collapse. One way to change the incentives so they don't collapse our economy again would be to delay the bonuses for several years, at least five or seven. That way, we'll know if the loans they made in year one remain good. In the bad days, bankers paid themselves on the volume of loans (mortgages) they generated, not on their quality.

Thank you for considering my comment,

Alec Mento
2438 S Philip St
Philadelphia, PA 19148

From: Deborah Gordon
To: _Regulatory Comments
Subject: Comments on Notice of Proposed Rulemaking for Incentive-Based Compensation Arrangements
Date: Sunday, May 22, 2011 3:12:48 PM

I’m writing because my family and I were affected by the economic collapse of 2008, and we don’t want it to happen again.

One way to change the incentives so Wall Street doesn’t collapse our economy again would be for regulators to set up a way for shareholders to grab back ill-gotten gains.

If it turns out that the profits in a given year were built on shoddy practices that become clear in the out-years, those bonus payments should be forfeited.

Thank you for considering my comment,

Deborah Gordon
1835 Portland Ave
#4
Tallahassee, FL 32303

From: Heidi Waddell
To: _Regulatory Comments
Subject: Heidi Waddell:Comments on Notice of Proposed Rulemaking for Incentive-Based Compensation Arrangements
Date: Sunday, May 22, 2011 10:36:20 PM

I'm writing because my family and I were affected by the economic collapse of 2008, and we don't want it to happen again.

Wall Street greed and outrageous pay practices were a major cause of the collapse. One way to change the incentives so they don't collapse our economy again would be for regulators to use a *safety index* for incentive compensation, instead of a profit index.

Currently, most bankers receive stock options. So if they can generate more profits, the stock price goes up, and their options become more valuable.

Instead, what if they used the bank's bond price, which measures the overall ability of the bank to repay its own debt? Another measure of bank stability is the spread on credit default swaps (the insurance-like policies that are essentially bets, where one gambler bets with another that a particular firm will fail). The closer a bank comes to failing (such as in failing to pay of its bond debt), the bigger the spread on credit default swaps.

Thank you for considering my comment,

Heidi Waddell
W3931 Rd F
W3931 County Rd F
Monticello, WI 53570